UNITED NATIONS

# Daily Highlights

**Department of Public Information • Central News Section • New York**

Prepared by Central News

DH/2065
23 January 1996

## TUESDAY HIGHLIGHTS

- United Nations financial situation precarious and heading for the brink, says Under-Secretary-General for Administration and Management.
- Secretary-General says phasing or closing down of MINURSO could destabilize Western Sahara region.
- Secretary-General says "Group of 77" has responsibility to be more responsive to today's needs.
- UNICEF to work with Government to improve care for orphans in China.
- Croatian Government says more than a million of its children exposed to horrors of war.

* * *

The United Nations financial situation was precarious and heading for the brink, the Under-Secretary-General for Administration and Management, Joseph Conner said today. He told correspondents, the Organization was now owed $3.3 billion -- $1.6 billion for the regular budget, $1.7 billion for peace-keeping operations and $4.9 million for the International Tribunals. And, overdue amounts had risen each year. The United States cash receipts were very important and its payment shortfall was severe, but it was not alone. By the end of last year, only 94 countries had paid their regular budget contributions in full and 22 had made no payment at all.

On a positive note, the United Nations had brought down a tough 1996-97 budget to achieve a little better than "zero nominal growth", Mr. Conner said. It was a significant accomplishment, as good, if not better, than most national governments were achieving. For the first time, the budget had identified efficiency gains and revenue enhancements to offset inflation and the adverse effects of foreign exchange. However, the cash situation was increasingly negative. The UN had no capital and no cash reserves and was totally dependent on the assessment scheme. The Working Capital Fund and the Special Account had been exhausted and it had been necessary to borrow from peace-keeping operations to fund the regular budget. The day of reckoning was

(more)

**For information media—not an official record**

now closer, he said.

For the last 10 years, countries' payment of current assessments had slipped and arrears had built up. But despite slow and late payments, the UN could expect to receive cash inflows -- from both arrears and current assessments -- that about equalled the current year's level of assessments. In 1993, regular budget receipts were about 99.7 per cent and in 1994 about 100.6 per cent -- some from arrears and some of it current -- so enough cash came in to keep the regular budget cycle in operation. United States payments in 1993 and 1994 fit that pattern, and its total payment of arrears and current dues almost equalled its assessment for those two years. However, last year, the total fell to 92.7 per cent, because the United States rate of payment dropped. In effect, it paid as if its assessed rate was 12 per cent not 25 per cent. And it was the same for peace-keeping. In 1993 and 1994, the UN received about 90 per cent of its peace-keeping assessments, but in 1995, the figure dropped to 86 per cent, because the United States paid as if its assessment rate was 14 per cent not 31 per cent.

Conservation measures implemented by the Secretary-General in September were a modest attempt to curtail cash needs, while allowing the United Nations to fulfil all its mandates, Mr. Conner continued. They were never meant to overcome a significant, prolonged holdback on countries' regular contributions. The total amount of peace-keeping assessments was expected to be significantly lower in 1996, which would exacerbate the cash flow situation. The current cash forecast was being prepared and waiting input from the 20 largest contributors as to when, and how much, they would pay. That number would be presented to Member States on 5 February.

* * *

The phasing out or closing down of the United Nations Mission for the Referendum in Western Sahara (MINURSO) could destabilize the region, according to Secretary-General Boutros Boutros-Ghali. In a report to the Security Council, dated 19 January, he said the identification of applicants eligible to vote in elections on the territory's future status was at a near standstill because of Frente POLISARIO's decision not to participate in the identification of certain groups. Morocco and the Frente POLISARIO, who have been involved in a long-running dispute over Western Sahara, agreed, as part of a settlement plan, for an Identification Commission to assess voter eligibility.

However, according to the report, only 7,935 persons had been identified since last September, bringing the total to 60,257. Some 174,000 people still needed to be convoked for identification. The Secretary-General said even if the process resumed immediately and was accelerated, an election in May 1996 was no longer realistic. He emphasized that the stalemate would probably occur again in a few months, if and when the Identification Commission

completed processing applicants, and the problem of finding a formula to deal with the caseload of applicants, which was acceptable to both parties, would arise again.

The Council had two options, the Secretary-General said. It could extend the mandate for four months until 31 May 1996 to allow time for the identification process to resume and an opportunity to test the parties' political will in deed, not just words. He would inform the Council if there was little or no improvement. As a second option, the Council could decide not to extend the mandate, unless outstanding problems were solved by certain dates, and it could prepare for MINURSO's phased withdrawal.

The Secretary-General said his Special Envoy had told both parties of the Council's frustration at breakdowns in the identification process and the lack of a reasonably clear indication of when it might end, and its willingness to contemplate the Mission's withdrawal. The new Chairman of the Identification Commission would address other aspects of the settlement plan, such as the code of conduct, confinement of troops and exchange of prisoners-of-war.

* * *

The "Group of 77" developing countries was responsible for making the United Nations more responsive to today's needs, according to Secretary-General Boutros Boutros-Ghali. In a statement to a meeting of the Group, during which the chairmanship was passed from the Philippines to Costa Rica, the Secretary-General urged it to serve as a catalyst for progress, adding that the Group could make every effort more effective in meeting tomorrow's challenge.

The Secretary-General said that for more than three decades the "Group of 77" had pursued the cause of economic development and led the way in establishing norms, standards and goals for international cooperation in development. Today, the effort must be intensified. The challenge of development in all its dimensions included environmental sustainability, social equity, and democratization.

* * *

The United Nations Children's Fund (UNICEF), has reached agreement with China to start a programme aimed at improving the care of orphans and disabled children living in Chinese welfare institutes. In a statement released today, UNICEF said two interlinked projects had been developed. The first, would identify the orphanages most at risk in 30 provinces, set up staff training to improve the children's care, provide rehabilitation services and establish appropriate management standards and procedures.

(more)

The second project would concentrate heavily on staff training and China's National Training and Rehabilitation Centres would make in-service training a priority. The programme would also develop training curricula, materials and management procedures for the orphanages. UNICEF's programme in China focuses on support for maternal and child health care, education, the supply of clean water and adequate sanitation, and the care of disabled and disadvantaged children.

* * *

Croatia says more than a million children had been exposed to the horrors of war that affected the country. In its initial report to the Committee on the Rights of the Child, which is meeting in Geneva, Croatia said 20,000 children had been directly exposed to the horrors inflicted by their own parents. The war had turned thousands of children into orphans and forced large numbers to flee from their home regions and live as refugees. The Croatian representative told the Committee the Government would donate more resources to social welfare once it had demobilized 50,000 soldiers from its army.

* *** *